This paper sets out a summary of the findings of the review of delivery models, activity levels and activity costs for the IT User frameworks.

**Background**

The review of activity costs is based on a standard methodology and modelling tools that are being applied consistently across all sectors in scope.

The approach is based on:

- Access to LSC data to inform the review
- Dialogue with the sector body on apprenticeship issues
- Interviews with effective providers (i.e. those providers with good or above average inspection grades and apprenticeship success rates) to establish activity levels
- An expert panel meeting to review data and evidence on activity levels
- Modelling of activity costs against provider data and panel advice
- Consultation with the sector on the panel advice and issues emerging
- Moderation of panel advice by an LSC project group

**LSC Data**

Partial LSC data from 2005/06 ILR data used to inform the review were:

**Numbers in Learning**

<table>
<thead>
<tr>
<th></th>
<th>Starts (Average Periods 1-9)</th>
<th>Average In Learning (periods 1-9)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16 - 19</td>
<td>19+</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Advanced</td>
<td>36%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Source: ILR 2005/2006 Period 11
Funding Rates for NVQs and Apprenticeships

Success Rates

<table>
<thead>
<tr>
<th></th>
<th>Framework</th>
<th>NVQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>75%</td>
<td>2%</td>
</tr>
<tr>
<td>Advanced</td>
<td>28%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: ILR 2005/2006 Period 11

Average Length of Stay in Months

<table>
<thead>
<tr>
<th></th>
<th>Non completion</th>
<th>Framework</th>
<th>NVQ Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>5.0</td>
<td>10.6</td>
<td>9.4</td>
</tr>
<tr>
<td>Advanced</td>
<td>9.0</td>
<td>12.1</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: ILR 2005/2006 Period 11 and LSC Data

Provider Interviews

A sample of effective providers was identified in discussion with e Skills UK.

These providers were interviewed in June 2006 and July 2006 through a series of visits to provider locations. The surveys were based on providers in the independent sector.

All three providers offered the apprenticeship but only two of the three providers offered the advanced apprenticeship.

A completed survey form was shared with each provider to review and update. A summary of the activities and issues emerging was shared with the providers in the interview sample for comment and feedback.

Models of Delivery

The models of delivery were:

- Significant programme of group based delivery of underpinning knowledge and skills or work based through assessor visits for learners with a background knowledge and experience in the use of IT

- Work based assessment of competence and support and advice

One provider in the sample was offering a ‘programme led’ model with group based block release activity used to develop skills and work to securing employed status.

One provider was operating commercial courses and learners were able to select from a range of modules to develop their underpinning knowledge.

1 Note: Final success rates in 2995/06 were 75% for apprenticeship and 34% for the advanced apprenticeship.
One provider was recruiting a significant proportion of over 19 learners in employed status and the model of delivery was work based delivery of underpinning knowledge and skills with supporting self-directed learning materials.
Funding Rates for NVQs and Apprenticeships

Activity Levels

Apprenticeship:
- Time to complete from 10 to 14 months
- Group based activity ranges from 200 hours (‘programme led) to 0 hours (work based delivery)
- Assessor caseload around 1:25
- Assessors provide additional underpinning knowledge and skills through work based visits, regular review, learner support and NVQ assessment

Advanced apprenticeship:
- Time to complete between 18 and 24 months
- Group based from 120 hours (day release) to 0 hours (all work based)
- Assessor caseload around 1:25
- Assessors provide additional underpinning knowledge and skills through work based visits, regular review, learner support and NVQ assessment

Expert Panel

e Skills UK convened an expert panel with representatives from:
- e Skills UK
- Adult Learning Inspectorate
- Awarding body representatives
- Providers nominated by the Association of Learning Providers
- The consultant to the project
Expert Panel Meeting and Advice

The panel met on 9 October 2006 and reviewed the data and evidence from the LSC and provider surveys. The panel used this evidence to formulate advice on activity levels for effective delivery.

The panel debated the positioning and purpose of the IT User framework and noted that frameworks such as Business Administration have a significant proportion of IT user skills as optional pathways for learners.

The panel noted that the framework was a generic cross sector pathway for employees that had a significant level of IT use and skills as part of their job role. The panel agreed that providers should select this framework pathway based on the needs of the learner and their employer rather than for any perceived funding advantage.

ALI reported that there has been a significant increase in the success rates for this framework over the last five-year period and that the current success rates at about 75% are at the upper end of the range for apprenticeship pathways.

The panel reviewed the LSC data on learners in sector code 322 and noted that the analysis of time to complete and success rates was based on an incomplete cycle of activity.

The panel discussed the data and evidence from provider surveys and noted the range of models from a 'programme led' type approach to an assessment in the workplace model for an over 19 target group of learners.

ALI suggested that learners who are recruited to the framework have higher levels of skills development and support requirements compared to other apprenticeship pathways.

The panel agreed that their advice should be based on a model for effective delivery for a 16-18 year old learner where there is likely to be a need for significant skills development and assessment.

eSkills UK advised that learners who progress from an apprenticeship programme are able to transfer achievement at level 2 across to the level 3 NVQ. eSkills UK reported that they have agreed with the LSC a model for a reduction in funding to reflect this reduced NVQ requirement.

The advice from the panel was circulated to panel members after the meeting for their further comment and approval.
Expert Panel Advice for Apprenticeship Delivery

The expert panel set out their advice as a basis for establishing the costs of a model 'of effective delivery. *This is not intended to be a ‘recipe’ that providers should follow.*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Panel Advice 2006</th>
<th>Notes and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Time to Complete</td>
<td>12 months</td>
<td>A programme of around 12 months duration which is slightly longer than the 10.6 months emerging in the partial LSC data from 2005/06.</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>120 hours</td>
<td>Based on a series of twenty one day sessions of around 6 hours per day over the duration of the framework.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>2.5 days</td>
<td>A programme of regular visits to the work place with visit time allocated to further knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>2.5 days</td>
<td>Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>1.0 days</td>
<td>The panel agreed that learners would require support for key skills development and tests and suggested activity levels based on a short programme of group based activity and assessor 1:1 support in the work place.</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>30 hours</td>
<td>The panel stressed the need to map the NVQ pathway and the flexibility of the ITQ approach to the learner job role and development and recommended that entry activities should be increased to 2.0 days of 1:1 time with an additional 2 day group based induction programme where this could be arranged.</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>1.0 day</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
</tr>
<tr>
<td>Regular review</td>
<td>1.0 days</td>
<td>Delivered as part of the programme of work based visits by assessors</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.0 day</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>2.0 days</td>
<td></td>
</tr>
<tr>
<td>Group based induction</td>
<td>12 hours</td>
<td></td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 170</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The allocated time for work based assessor activity is equivalent to a *full-time* assessor caseload of 1:25 which is comparable to the reported case loads.
Activity Costs for Apprenticeship Delivery

The activity costs model has been set up to compare the LSC funding in 2005/06 to the reported activity levels with the following costs assumptions:

- Group based classroom activity weighted at factor A
- Assessor employment costs weighted at factor B based on independent research on salary rates and employment costs
- Registration and Certification costs of £170 based on information collected from awarding bodies
- Costs of self-directed learning materials estimated at £50 per learner

The data on success rates in 2005/06 is based on a partial data set. The model includes a factor for success rates of 50% to reflect minimum success rates in 2007/08.

The activity costs emerging from the review were:

![Graph showing current funding and activity costs for different providers]

This suggests that activity costs for effective delivery are significantly above the current funding rates for an effective model of delivery based on caseloads of around 1:25

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2 This is based on the LSC programme weighting factors for guided learning hours
3 A separate report on employment costs provides more details of the bands and methodology used to map sectors to employment bands
Funding Rates for NVQs and Apprenticeships

Expert Panel Advice for Advanced Apprenticeship Delivery

The expert panel set out their advice as a basis for establishing the costs of a model 'of effective delivery. This is not intended to be a ‘recipe’ that providers should follow.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Panel Advice 2006</th>
<th>Notes and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Time to Complete</td>
<td>21 months</td>
<td>An effective model of delivery based on a maximum period of 21 months.</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>120 hours</td>
<td>The panel recommended that there should be a programme of 120 hours of group based activity in the model for effective delivery.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>5.0 days</td>
<td>A programme of regular visits to the work place with most visit time allocated to knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>5.0 days</td>
<td></td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>1.75 days</td>
<td>Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>30 hours</td>
<td>The panel suggested activity levels based on a short programme of group based activity and assessor 1:1 support in the work place.</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>1.0 days</td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>1.75 days</td>
<td>Delivered as part of the programme of work based by assessors with at least 7 sessions of ¼ day for regular review with the learner and supervisor</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.25 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>2.0 days</td>
<td>The panel stressed the need to map the NVQ pathway and the flexibility of the ITQ approach to the learner job role and development and recommended that entry activities should be increased to 2.0 days of 1:1 time with an additional 1 day group based induction programme where this could be arranged.</td>
</tr>
<tr>
<td>Group based induction</td>
<td>6 hours</td>
<td></td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 189</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
</tr>
</tbody>
</table>

Note: The allocated time for work based assessor activity is equivalent to a full-time assessor caseload of 1:25
Activity Costs for Advanced Apprenticeship Delivery

The activity costs model has been set up to compare the LSC funding in 2005/06 to the reported activity levels with the following costs assumptions:

- Group based classroom activity weighted at factor A
- Assessor employment costs weighted at factor B based on independent research on salary rates and employments costs
- Registration and Certification costs of £ 189 based on information collected from awarding bodies
- Costs of self directed learning materials estimated at £ 50 per learner

The data on success rates in 2005/06 is based on a partial data set. The model includes a factor for success rates of 50% to reflect minimum success rates in 2007/08.

The activity costs emerging from the review were:

![Current Funding and Activity Costs Graph](image)

This suggests activity costs for effective delivery significantly below the current rates based on a planned time to complete of around 21 months and case loads of less than 1:25. The activity costs are close to the current LSC funding before any assumed employer contribution.

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4 This is based on the LSC programme weighting factors for guided learning hours
5 A separate report on employment costs provides more details of the bands and methodology used to map sectors to employment bands
Funding Rates for NVQs and Apprenticeships

Moderation and LSC Data Modelling

The LSC has established a moderation group with representation from the Association of Learning Providers to review panel advice and activity costs.

The advice from the e Skills UK expert panel was reviewed at the moderation meeting in October 2006.

The panel advice on activities was used to model the activity costs and the funding rates for the apprenticeship and the advanced apprenticeship.

Funding Rate Changes

The LSC is implementing changes to the funding rates based on the review and the advice on activity levels and activity costs and the decisions of the moderation group.

The changes are:

**Apprenticeship**

- An increase of 23.3% in the NVQ 2 funding rate phased in over two years

**Advanced Apprenticeship**

- A reduction of 17.9% in the NVQ3 rate phased in over two years

- This is equivalent to a reduction of around 12% in the overall framework rate that is consistent with the panel advice